



ASTSWMO, Providing Pathways to Our
Nation's Environmental Stewardship Since 1974

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Committee on Energy and Commerce

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“Discussion Draft: Brownfields Reauthorization”

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Testimony of

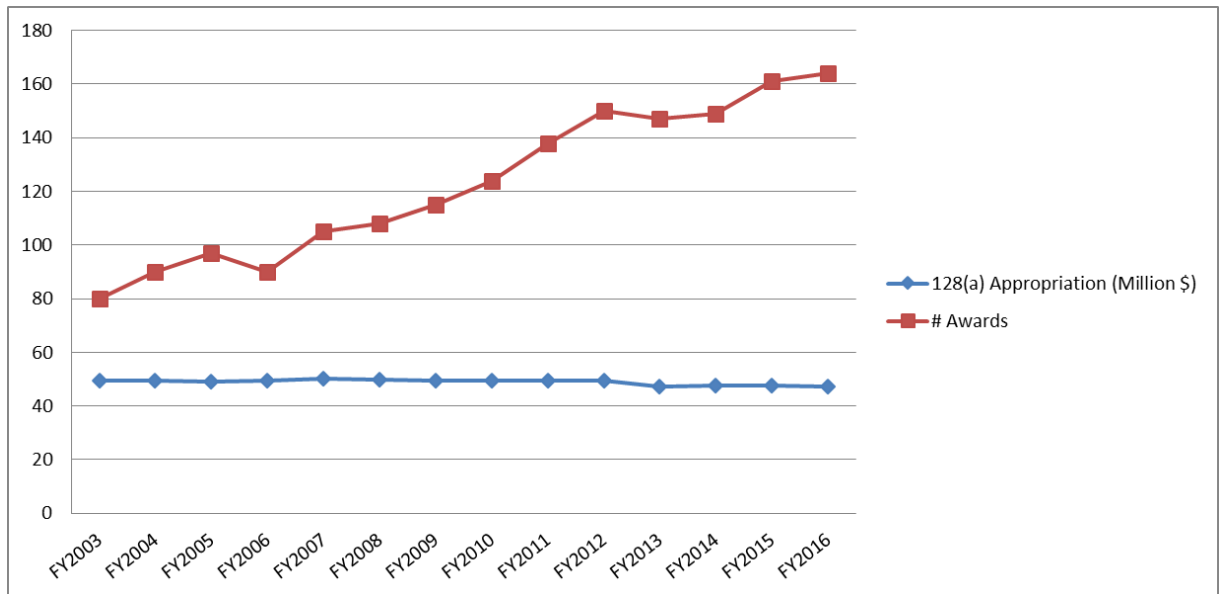
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On Behalf of the

Association of State and Territorial Solid Waste Management Officials

Main Points

- Brownfield redevelopment plays an important role in addressing our country's ailing infrastructure, spurring economic development while cleaning up environmentally challenged properties. Redevelopment of brownfields reuses existing roads, bridges, water treatment plants and other infrastructure elements resulting in savings in development costs and the need to build new infrastructure that also requires maintenance.
- Funding, expertise and resources at the State, federal and local levels of government allow those redeveloping brownfields to layer funding and assistance to encourage redevelopment of Brownfields. The variety of tools allows entities to select the incentives and resources that will make their particular project work.
- Since the Brownfields law's beginnings in 2002, 128(a) funding has been provided to States, territories and tribes with the national funding level remaining at just under \$50 million for more than 15 years, whereas the number of applicants has more than doubled. The awards in FY2003 averaged \$618,000. However, by FY2016, the average award had dropped to approximately \$293,000, less than half of what had been awarded in FY2003.



- Funding has been used to assist urban and rural local governments, community officials and others to assist with technical support, environmental assessments and project guidance.
- Funding supports Voluntary Cleanup Programs (VCP), which provide the foundation for overseeing cleanups, setting remediation goals and institutional controls.
- There are a variety of sites in the brownfield universe ranging from simple cleanups to complex sites. The more challenging sites require a unique collaborative approach of stakeholders working in partnership with the community, local, State and federal governmental organizations, business partners, nongovernmental organizations (NGOs) and individuals from the community itself.

- Brownfield programs offer positive economic impacts as stated in the following studies:
 - The University of Delaware's economic study found that every nominal dollar spent through the brownfield program generates a \$17.50 return on the State's initial investment.
 - A study of the impact of funding in Wisconsin found that a dollar invested there yields up to \$27.25 in total funds for projects.
 - Since 2015, Oklahoma has garnered over \$10 million in new State and income taxes annually on remediated sites. There has also been a 147% increase in job growth on redeveloped brownfields and surrounding sites.
 - A 2014 study by ECONorthwest found that every \$1 invested in brownfield redevelopment in Oregon resulted in \$15 of leveraged funding. The 51 completed sites in the survey generated 4,300 permanent jobs, of which 60% are in the industrial sector. In total 8,900 indirect and direct jobs were created.
 - The Michigan Department of Environmental Quality (MDEQ) reports that in 2016 the return on investment on brownfield funding is \$34 for every dollar of MDEQ funding.
- Brownfields and the associated voluntary cleanup programs are necessary to assist with cleanup and to allow property sales, redevelopments and financing to move forward. Sudden and significant cuts to the money coming to the States can and would cripple States' programs, and if State programs cannot remain responsive, they will wither and collapse.

Good morning Chairman Shimkus, Ranking Member Tonko and Members of the Subcommittee. Thank you for the opportunity to speak to you today. My name is Meade Anderson, and I am the Chair of the Brownfields Focus Group of the Association of State and Territorial Solid Waste Management Officials (ASTSWMO). I am here today to testify on behalf of ASTSWMO. ASTSWMO is an association representing the waste management and remediation programs of the 50 States, five Territories and the District of Columbia (States). Our membership includes State program experts with individual responsibility for the regulation or management of wastes and hazardous substances.

ASTSWMO is a strong supporter of the Brownfields program. Communities across our nation live with and adjacent to their brownfields every day. Even if you don't live right next door, you likely feel their impacts. They contribute to the economic, social and environmental decline in the places we live, work and play. However, the redevelopment of contaminated properties is a powerful tool that has far-reaching implications for both urban and rural communities. Brownfield redevelopment sparks job creation and private investment, encourages infrastructure reuse, increases property values and the tax base and facilitates community revitalization. For the past 15 years, this program has served to break down barriers to redevelopment and move properties with an environmental past forward when they would otherwise have remained blighted.

Our State programs have evolved to be responsive to the needs of communities and developers while protecting the health of our citizens. These programs have developed varied sets of

remediation and redevelopment tools that are specific to the State needs. Properties going through our programs may use one or all of our services, but the unifying theme underlying all of them is that we could not provide these services without the aid of our 128(a) funding and our federal program.

Since the Brownfields law was signed in 2002, funding to States, Territories and tribes, via the 128(a) Brownfield Grant, has been essential for States to build and maintain successful State brownfield programs. The funding that States receive each year provides an incredible number of benefits to local governments, corporations and other organizations, whose goal is to clean up and redevelop blighted, underutilized and contaminated properties.

Some of these benefits include:

- Providing funds to complete environmental site assessments of properties to meet all appropriate inquiry (AAI), Phase II sampling, asbestos and lead inspections;
- Supporting local community officials in the preparation of grant applications for Brownfield assessments, cleanups or revolving loan funds;
- Providing workshops for organizations, communities and others to educate them about Brownfield services, incentives and redevelopment processes and issues.
- Assisting local governments, nonprofits and redevelopers to successfully manage risk and liability concerns;
- Meeting with community officials and others to assist them in working through assessment and cleanup of Brownfield properties, as well as providing much needed technical support and recommendations; and

- Supporting Voluntary Cleanup Programs (VCPs), which provide the foundation for overseeing cleanups, setting remediation goals and institutional controls that provide for safe reuse of the properties.

While our programs do spend time in urban areas and the services we provide there are important, we would also like to highlight the increasingly important role that we play in smaller cities, towns and rural areas. These communities also grapple with brownfield issues and due to limited resources cannot afford to have an environmental manager on staff, hire a consultant or even afford a grant writer. Our programs often serve as a no-cost environmental consultant to those communities by providing assessments, cleanup guidance, liability management and grant assistance. Redevelopment in these towns would not happen in many cases without federal, State and Territorial brownfield services.

Unlike many other environmental programs that began at the federal level, with States taking over authority to run various aspects, States are primarily responsible for the development and maintenance of Brownfield cleanup and redevelopment programs. States have developed their own, unique State-specific statutes, rules and regulations to govern voluntary cleanup of contaminated sites and provide liability releases or letters of comfort to fit the needs of each individual State. However, the individual programs are sufficiently consistent to allow 25 States to execute a VCP Memorandum of Agreement (MOA) with their respective EPA regional authorities. These MOAs promote State-federal coordination, define general roles regarding

the cleanup of sites and provide predictability and consistency for those completing a cleanup under State authority.

Since the Brownfields law's beginnings, 128(a) funding has been provided to States, Territories and tribes with the national funding level remaining at just under \$50 million for more than 15 years, whereas the number of applicants has more than doubled. In FY2003, 80 States, Territories and tribes received funding from a total appropriation of \$49.4 million. By FY2016, 164 entities requested funding including 50 States, 4 Territories, the District of Columbia and 109 tribes, 8 of which were new applicants. The awards in FY2003 averaged \$618,000. However, by FY2016, the average award had dropped to approximately \$293,000, less than half of what had been awarded in FY2003. This dramatic decrease in award amounts is directly attributable to the success of the program and the steadily increasing demand and competition for these essential funds.

Although most States do not rely solely on 128(a) funding alone to support their Brownfields and State response services, the funds are an essential component of each State's program. The additional resources many States utilize include program fees, special cleanup funds and, in some cases, general revenue funds. However, most of these sources have either decreased or remained flat, particularly during the recent recession. Few of the States receive sufficient State funding to cover all program costs and provide adequate support for EPA 104(k) Brownfield Grantees. As a result, States have had to resort to cost-saving measures, such as reducing staff dedicated to Brownfield functions, cutting or eliminating the amount of

assistance provided to local communities, increasing fees and reducing the number of 128(a)-funded environmental assessments.

A continuation of the current funding dynamic would halt the progress our programs are making when the programs are needed most. We are at a critical junction in our national history where expansion of our urban boundaries, while attractive in short-term benefits, will lead to continued increases in infrastructure costs that we can ill afford. When we rebuild our infrastructure, we have the opportunity to renew what surrounds it in order to create a more robust economy and assist in the responsible growth of our communities. Brownfield funding is critical to that mission.

Added to the burden of tight budgets is the complexity of sites that communities often encounter. While States and Territories continue to conduct cleanups on relatively simple sites, in many areas they are starting to address more challenging sites whose redevelopment may be hampered by complex issues, such as contamination and obstacles related to the community as a whole. These properties are often financially upside down due to the suspected environmental contamination, yet many of these sites are situated at key locations in our small cities, towns and communities. These more challenging sites require a unique collaborative approach of stakeholders working in partnership with the community, local, State and federal governmental organizations, business partners, nongovernmental organizations (NGOs) and individuals from the community itself. The State's Brownfields program plays a significant role

by providing technical support, recommendations and the voluntary cleanup programs to ensure sites are cleaned up to standards that are safe for the intended reuse.

The funding provided for brownfield redevelopment multiplies in our communities resulting in positive economic impacts. The University of Delaware has published two well-respected studies: *Economic Impact of Delaware's Economy: The Brownfields Program* dated January 5, 2010; and *Beyond Natural and Economic Impact: A Model for Social Impact Assessment of Brownfields Development Programs and a Case Study of Northeast Wilmington, Delaware* dated February 2013. The economic study found that every nominal dollar spent through the brownfield program generates a \$17.50 return on the State's initial investment. A November 2015 study by the Fiscal and Economic Research Council at the University of Wisconsin found that every \$1 spent for assistance in the State of Wisconsin leveraged \$27.25 in total funds and that \$3,000 in brownfield funding leverages one job. Other States have also done analysis on the power of brownfield funding:

- Since 2015, Oklahoma has garnered over \$10 million in new State and income taxes annually on remediated sites. There has also been a 147% increase in job growth on redeveloped brownfields and surrounding sites.
- A 2014 study by ECONorthwest found that every \$1 invested in brownfield redevelopment in Oregon resulted in \$15 of leveraged funding. The 51 completed sites in the survey generated 4,300 permanent jobs, of which 60% are in the industrial sector. In total 8,900 indirect and direct jobs were created.

- The Michigan Department of Environmental Quality (MDEQ) reports that in 2016 the return on investment on brownfield funding is \$34 for every dollar of MDEQ funding.

To summarize, ASTSWMO believes a robust brownfields program, at all levels of government and working in concert with the private sector, is essential to the nation's environmental, economic and social health. Without adequate funding for State and Territorial Brownfield and Voluntary Cleanup Programs, Brownfield program goals cannot be achieved. While the current funding level is inadequate, we want to ensure that it is protected at a minimum. I would like to also point out the *ASTSWMO Position Paper 128(a) "Brownfields" Grant Funding*, which was approved by the ASTSWMO Board of Directors on April 22, 2014, provides additional detail on the Association's support of brownfields funding. The position paper is provided with this testimony.

Thank you for this opportunity to offer testimony. I would be pleased to answer any questions you may have.